

# Blue Cross® VIRTUAL WELL-BEING

## How to Build an Emergency Fund

An emergency fund is a bank account with money set aside to cover large, unexpected expenses, such as:

- Medical emergencies
- Unemployment or job loss
- Major household repairs
- Unexpected travel
- Car breakdown or accident
- Child or pet emergencies

Questions to ask before using your emergency fund:

- Is it unexpected?
- Is it necessary?
- Is it urgent?

### Benefits of having an emergency fund:

- It helps keep your stress level down
- It keeps you from spending on a whim
- It keeps you from making bad financial decisions

### Ideas for building an emergency fund:

- Pay yourself first by directing a portion of your paycheck to a different account for unexpected expenses.
- Establish a budget for your monthly spending and track actual expenses.
- Reduce spending in discretionary areas such as entertainment and dining out.
- Consider other sources of income, perhaps even a part-time job.
- If you have considerable debts and can't seem to find enough to start saving for an emergency fund, consider the services of a nonprofit credit counseling service in your area.
- Carefully consider big-ticket purchases for automobiles, rent or mortgages. Making spending changes in these areas can have a big impact on building your emergency fund.
- Aim to build your emergency fund to cover three to six months of living expenses.
- Be patient. Building an emergency fund takes a long time, but getting started will provide you with a financial cushion when unexpected expenses occur.



*The information in this document is intended only as an educational tool and for general informational purposes. It is not intended to, nor shall it, constitute specific financial advice or services. You should seek the advice of your own financial consultant or other expert consultants regarding your individual financial wellness condition and what steps could possibly be taken to improve it.*

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Topic: Body Breathing Meditation

Wednesday, April 10, 2019

8 to 8:10 a.m. Eastern time

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